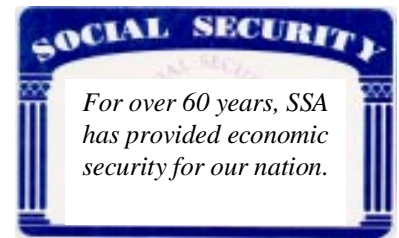


Overview of SSA

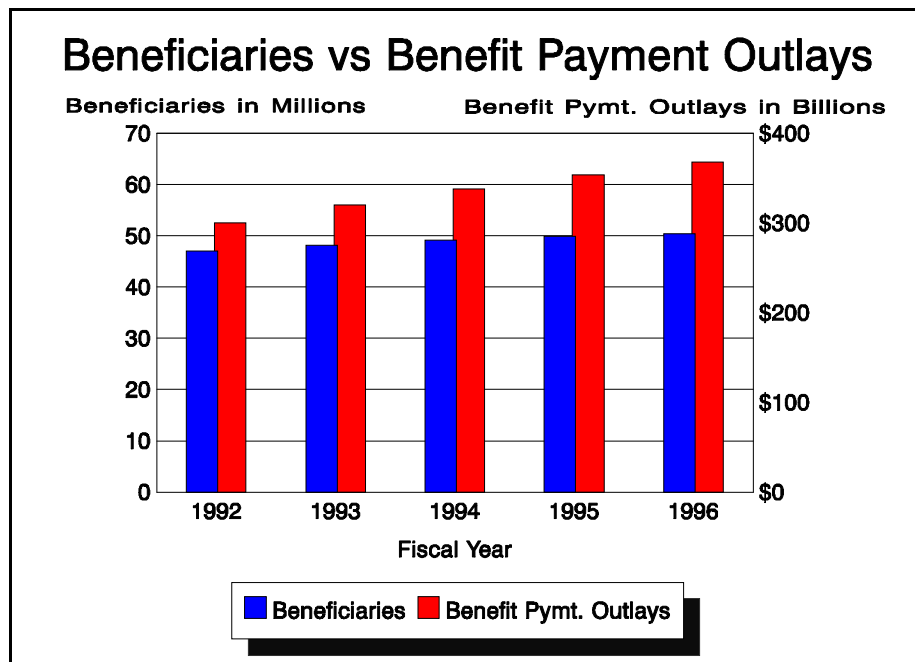


Agency Profile

Most elderly Americans were living in poverty in 1935 when the Social Security Act established a program to help protect aged Americans against the loss of income due to retirement. Protection for survivors of deceased retirees was added by the 1939 amendments, thus creating the OASI program. Social Security protection for workers was expanded again in 1956 to include the DI program. SSA's responsibilities were further expanded in 1969 and 1972 to include the BL program (Part B) and the SSI program, respectively. SSA's responsibilities in 1996 focused on administration of these four entitlement programs that deliver cash benefits to more than 50 million beneficiaries every month.

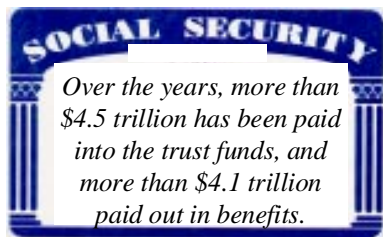
At various other times, SSA administered the Medicare Program (1965-1977) and numerous grant programs (1978-1986) such as the Aid to Families with Dependent Children, Low Income Home Energy Assistance, Refugee Assistance and Child Support Enforcement Programs.

On August 15, 1994, President Clinton signed P.L. 103-296, the "Social Security Independence and Program Improvements Act of 1994," establishing SSA as an independent agency. SSA's independence was effective March 31, 1995. The chart below shows the 5-year trend in the number of beneficiaries served and the benefits they receive.



Observation

The total number of beneficiaries entitled under all SSA programs exceeds 50 million, an increase of 7.4 percent since 1992. Benefit payment outlays continue to rise faster (22.5 percent) than the number of beneficiaries as high wage earners replace lower wage earners on the benefit rolls and cost-of-living adjustments raise benefit levels due to increases in the Consumer Price Index.

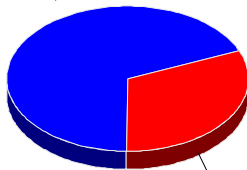


SSA's Federal Share

Fiscal Year 1996

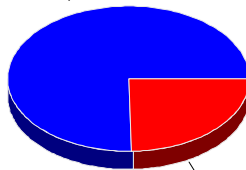
(Dollars in Billions)

Total Federal Receipts
\$1,497



SSA Receipts
\$448 (29.9%)

Total Federal Disbursements
\$1,571



SSA Disbursements
\$386 (24.6%)

SSA's programs accounted for 24.6 percent (\$386 billion) of the \$1.6 trillion in Federal expenditures during FY 1996 and were 5.6 percent of the nation's \$6.9 trillion total Gross Domestic Product (GDP).

Fiscal Year 1996 Financing (Dollars in Billions)

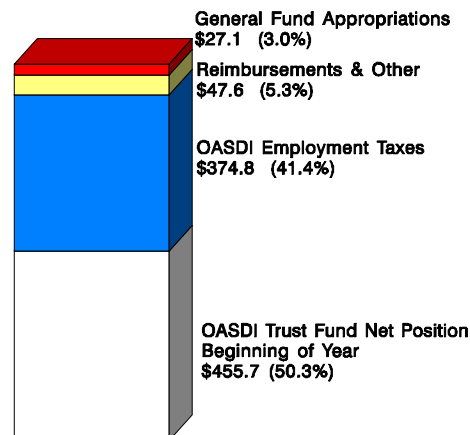
WHERE IT COMES FROM....

Program Financing

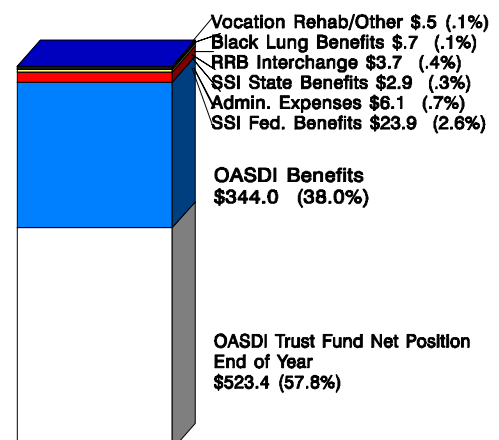
The adjacent charts show the sources and uses of funds to carry out all SSA programs in FY 1996 and the substantial influence of the Social Security OASI and DI Trust Funds. Employment tax revenues continue to increase consistent with increases in average earnings and increases in the taxable earnings base provided in the 1983 amendments to the Social Security Act.

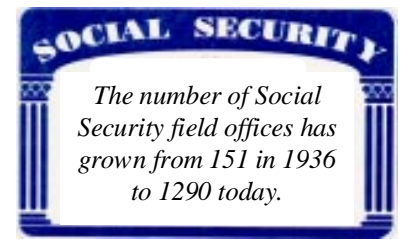
Most resources available to SSA were used to finance current OASDI benefits and to accumulate reserves to pay future benefits. Growing OASDI Trust Fund assets were safely invested in interest bearing obligations of the United States as required by statute. When funds are needed to pay administrative expenses or benefit entitlements, these investments are redeemed to supply cash to cover the outlays.

Additional data on program financing can be found on pages 10 and 11 and 51 through 57.



....WHERE IT GOES





Service Delivery Network

SSA's service delivery network is designed to provide responsive, swift and accurate service to the public through its unique organizational structure. SSA's organization features centralized management of the national Social Security programs and a decentralized nationwide network of 10 Regional Offices overseeing 7 Program Service Centers, 1290 Field Offices, 65 Resident Stations, 1 Data Operations Center, 38 Teleservice Centers and 132 Hearings Offices.

Field offices are located in cities and rural communities across the nation and are the Agency's physical point of contact with beneficiaries and the public. Additionally, the Social Security disability program depends on the services of 54 Disability Determination Services (DDS) which include all 50 states, the District of Columbia, Guam and Puerto Rico. Through its information processing network, which links its distributed operations with headquarters, SSA has the ability to serve its clients efficiently and effectively.

SSA's Information Processing Network

